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Puerto Rico power restoration: Why it is taking so long

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(Photo: Joe Raedle, Getty Images)

Corrections & clarifications: An earlier version of the story mischaracterized the Edison Electric Institute. The story also misstated the payment status of workers from Jacksonville Electric Authority for work performed.

When hurricanes Harvey and Irma hit Texas and Florida back to back, utility companies from other states spent just a few hours finalizing contracts to dispatch linemen and bucket trucks to help restore power.

But when Hurricane Maria decimated Puerto Rico on Sept. 20, simply clearing that first step to provide assistance became a complicated process that significantly delayed deploying power crews. The result: 70% of the island remains without power nearly six weeks later.

Lakeland Electric, a utility in Central Florida, has both sent and received assistance after multiple storms in recent years, a now-standardized process that allows fleets of trucks to roll out quickly across the country after a disaster. But Lakeland's general manager, Joel Ivy, said he's never gone through a process like the one after Maria.

Ivy spent the first few days after the storm just figuring out exactly who was in charge. His team spent another week negotiating a contract with Whitefish Energy Holdings, the small Montana company hired by Puerto Rico's electric authority to oversee the restoration of the island's power grid.

Lakeland's first linemen finally arrived in San Juan on Saturday — 36 days after Maria made landfall.

"It's been difficult," Ivy said.

By Sunday, Puerto Rican officials had seen enough and decided to cancel the \$300 million contract with Whitefish.

The decision by the Puerto Rico Electric Power Authority (PREPA) followed a growing list of officials from Washington to San Juan who voiced concern over the way the Montana company won its contract and its ability to handle the monumental task of rebuilding the island's electrical grid.

Those raising concerns included Puerto Rico Gov. Ricardo Rosselló, Democrats and Republicans in Congress, the Federal Emergency Management Agency and, [according to \(https://www.wsj.com/articles/fbi-is-probing-puerto-rico-power-contract-1509379394\)](https://www.wsj.com/articles/fbi-is-probing-puerto-rico-power-contract-1509379394) the *Wall Street Journal* and CNN, the FBI.

Whitefish is located in Whitefish, Mont., the hometown of Interior Secretary Ryan Zinke. The company is backed by a private equity firm, HBC Investments, which is headed by Joe Colonnetta, a major donor to President Trump's election campaign, the Trump Victory PAC and other Republican candidates.

The company defended its work in Puerto Rico, pointing to the 350 workers and 600 pieces of heavy electrical equipment it has sent to the island since Maria made landfall. That compares to more than 10,000 power workers who responded to Irma in Florida and Harvey in Texas.

"We are very proud of our contributions to the island's recovery and proud of the tremendous work that our team has done under very challenging conditions," read a statement from the company.

More: [Puerto Rico's Gov. Rosselló orders audit of Whitefish contract to fix power grid \(https://www.usatoday.com/story/news/world/2017/10/26/puerto-ricos-gov-rossello-orders-](https://www.usatoday.com/story/news/world/2017/10/26/puerto-ricos-gov-rossello-orders-)

More: [Five weeks after Maria most of Puerto Rico remains an island in the dark \(/story/news/nation/2017/10/23/storm-whipped-puerto-rico-power-restoration-plagued-problems-after-maria/792376001/\)](#)

More: [In isolated Puerto Rican town, a need for water, power — and news \(/story/news/2017/09/24/isolated-puerto-rican-town-need-water-power-and-news/697827001/\)](#)

Off to a rough start

After Maria tore through Puerto Rico as a Category 4 storm with winds of 155 mph, the first question facing power companies was simple: Who's in charge?

The Army Corps of Engineers offered to take over the power restoration effort, said Carlos Mercader, head of Puerto Rico's Washington office. The governor accepted, and the two sides signed an agreement Sept. 30, but Rosselló said little came of it.

"He was not seeing, at that time, the response he thought there should be after signing that agreement," Mercader said.

Meanwhile, power companies that wanted to help were calling Washington and trade groups to figure out what was going on.

"They seemed to be spinning their wheels and not making a lot of progress," said Mike Brost, vice president and general manager of the Jacksonville Electric Authority. "Then someone on our team became aware of Whitefish."

Whitefish signed a contract with PREPA on Sept. 26 and initiated a process that deviated from standard recovery procedures.

Two U.S. groups usually coordinate the response after a large-scale power outage: the American Public Power Association (APPA), a trade group of not-for-profit public utilities, and the Edison Electric Institute (EEI), the association representing private, investor-owned utilities.

Both groups broker "mutual-aid agreements," contracts with power companies that set rates and terms of the work. The utility requesting assistance is usually responsible for paying and lodging the workers who come to help, and the contracts are fairly uniform to allow for quick response times.

That system was used in Florida and Texas following their hurricanes.

For example, power company AEP Texas initiated a mutual-aid agreement with EEI and staged about 1,000 workers from 11 states before Harvey even made landfall, said Judith Talavera, the company's president and chief operating officer. Those crews rolled into the heavily hit towns of Rockport, Fulton and Victoria days after the storm passed, quickly repairing and replacing more than 5,700 light poles and 700 miles of power lines, she said.

At the height of the effort, more than 5,600 work crews — from New Jersey, Oklahoma, California and elsewhere — swarmed across South Texas, Talavera said. Power was restored within two weeks.

"It really was a unified effort," she said. "We couldn't have done it without the support of all the communities out there."

The trade groups were ready to implement a similar coordinated response for Puerto Rico, which had a standing mutual-aid agreement with APPA. But the call to activate the response never came.

"We did have people that were standing by," APPA spokeswoman Meena Dayak said. "If there had been a call for help, we could have found willing people to help."

Instead, Whitefish would serve as the coordinator of all power companies heading to Puerto Rico, a monumental challenge considering the scope of the outages and the need to transport people and equipment to the island.

"It was certainly different from the normal process," said Brost of the Jacksonville utility. "This was a lot worse."

Concerns before and after

Power companies described a wide variety of concerns before they were willing to sign a contract.

Ivy, of the Lakeland utility, said his company had to work through insurance coverage for equipment that would be traveling by sea to Puerto Rico. He needed to get guarantees that his workers — who would be working 16-hour days, seven days a week — had somewhere safe to sleep, reliable supplies of food and security for them and their equipment.

Officials at the Kissimmee (Fla.) Utility Authority had so many questions that they didn't sign an agreement until they spoke directly with workers from Jacksonville to verify that Whitefish employees were on the ground in Puerto Rico and holding up their end of the bargain.

"That was a roadblock," said Chris Gent, vice president of the Kissimmee company. "Jacksonville took that initial leap for all of us. They said, 'Yes, the port is fine. The lodging is fine. There is food and fresh water being provided.' That put us at ease to feel we could sign this contract."

But after arriving in Puerto Rico, the problems have continued.

Brost said his company hasn't been reimbursed by Whitefish since it started work three weeks ago. The utility has been filing weekly invoices to Whitefish, he said, but none has been approved because Whitefish keeps asking for more supporting documents and running all changes past PREPA.

"The level of bureaucracy — it's amazing," Brost said.

Power companies hope the complications they experienced in the weeks following the storm will be resolved, allowing more companies to pour into Puerto Rico to fix an electrical grid that could take months to restore.

"I understand that other companies are still hesitant," Brost said. "We had significant concerns and hesitations as well. But we got to an adequate level of comfort. And the desire to help a public power partner and the people of Puerto Rico was enough to tip us in the right direction."

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